

September 30, 2015

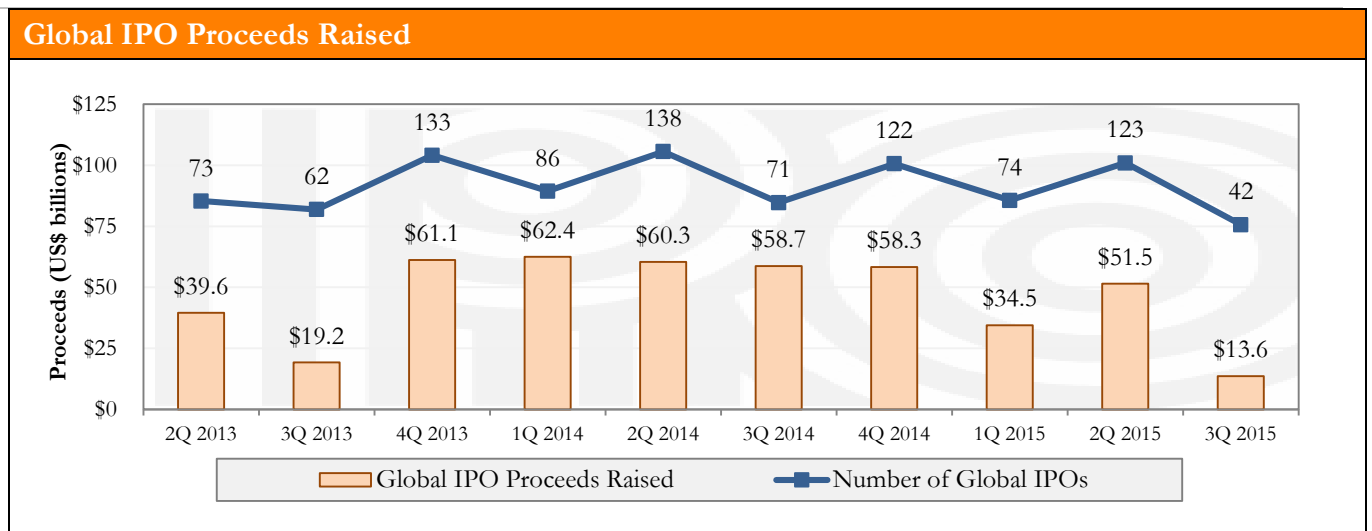
Pump the Brakes! Global IPO Market Slows Down

Due to heightened market volatility stemming from economic growth concerns in China and uncertainty surrounding an interest rate hike in the United States, the global IPO market slowed dramatically in the third quarter. IPO issuance stagnated as quarterly proceeds plummeted 77% year-over-year to \$13.6 billion, the lowest quarterly proceeds level since the 1Q12. Excluding Alibaba's mega IPO in 3Q14, quarterly proceeds were still down 63% year-over-year. IPO proceeds were led by the North American and Asia Pacific regions, which accounted for 37% and 34% of quarterly proceeds, respectively. Chinese issuance came to a standstill from the rapid pace in the first two quarters of 2015 as the country's government suspended domestic offerings in an effort to stabilize equity markets. IPOs generated a modest 3.2% average return. However, aftermarket performance was poor, as measured by the Global IPO Index, which returned -14.9% in the 3Q15. Despite turbulent equity markets, several multi-billion dollar listings still hope to tap equity markets before year-end.

Key Takeaways:

- Slowest Issuance Quarter since 1Q12, North America and Asia Pacific Lead
- Financials Continue to Lead IPO Issuance, Followed by Consumer and Health Care
- IPOs Generate Subpar Returns
- Global IPO Benchmark Drops 15% in 3Q15
- The Global IPO Pipeline is at Record Levels

Global IPO Activity						
	3Q 2014	4Q 2014	1Q 2015	2Q 2015	3Q 2015	ΔYoY
Proceeds Raised (US\$)	\$58.7b	\$58.3b	\$34.5b	\$51.5b	\$13.6b	-76.8%
Number of Deals	71	122	74	123	42	-40.8%
Median Deal Size (US\$)	\$240m	\$208m	\$201m	\$223m	\$217m	-9.8%



Source: IPO investment advisor Renaissance Capital. Includes IPOs with a deal size of at least \$100 million and excludes closed-end funds and SPACs.

North America and Asia Pacific Lead in Slow Quarter for Issuance

North America led IPO issuance in the 3Q15, accounting for 37% of issuance due to large offerings from all natural pet food producer Blue Buffalo Pet Products (BUFF) and SunEdison-backed yieldco Terraform Global (GLBL). The Asia Pacific region represented 34% of proceeds, thanks to China Railway Signal & Communication Corp (3969.HK) in Hong Kong, which was the largest IPO of the third quarter.

However, overall issuance levels were dramatically less than historical averages due to global market volatility stemming from economic growth concerns in China and investor uncertainty surrounding when the US Federal Reserve will raise interest rates. After raising \$16 billion in the first two quarters, the China A-Share market failed to record a single offering in 3Q15 after the government halted IPOs in an effort to stabilize domestic markets.

Regional Breakdown - (US\$ Billions)									
Region	3Q 2014			2Q 2015			3Q 2015		
	#	\$	% of \$	#	\$	% of \$	#	\$	% of \$
Asia Pacific	32	\$11.8	20.2%	41	\$24.0	46.7%	13	\$4.7	34.4%
Europe	8	\$8.6	14.7%	35	\$13.7	26.7%	6	\$3.7	27.0%
Latin America	0	\$0.0	0.0%	4	\$1.4	2.7%	1	\$0.2	1.6%
Middle East and Africa	2	\$1.9	3.2%	5	\$1.5	2.8%	0	\$0.0	0.0%
North America	29	\$36.3	61.9%	38	\$10.9	21.2%	22	\$5.0	37.0%

Source: IPO investment advisor Renaissance Capital. Includes IPOs with a deal size of at least \$100 million and excludes closed-end funds and SPACs.

Exchange Summary - (US\$ Billions)									
Exchange	3Q 2014			2Q 2015			3Q 2015		
	#	\$	% of \$	#	\$	% of \$	#	\$	% of \$
NASDAQ	6	\$1.1	1.8%	16	\$2.9	5.7%	14	\$3.3	24.2%
Frankfurt Exchange	1	\$0.7	1.1%	3	\$0.8	1.6%	3	\$2.8	20.4%
Hong Kong Exchange	11	\$4.6	7.9%	10	\$9.7	18.8%	4	\$2.2	16.4%
NYSE	22	\$34.8	59.3%	20	\$7.8	15.1%	5	\$1.1	8.1%
Australian Exchange	3	\$2.8	4.8%	4	\$1.4	2.7%	4	\$0.8	6.1%
Korea Exchange	2	\$0.4	0.6%	2	\$0.4	0.8%	2	\$0.7	5.5%
Tokyo Stock Exchange	1	\$0.6	1.1%	0	\$0.0	0.0%	1	\$0.6	4.7%
Euronext/Amsterdam	1	\$1.9	3.3%	0	\$0.0	0.0%	1	\$0.6	4.2%
Toronto Exchange	1	\$0.5	0.8%	2	\$0.2	0.4%	2	\$0.4	2.9%
Mexican Exchange	0	\$0.0	0.0%	3	\$1.2	2.3%	1	\$0.2	1.6%

Source: IPO investment advisor Renaissance Capital. Includes IPOs with a deal size of at least \$100 million and excludes closed-end funds and SPACs.

Financials Continue to Lead IPO Issuance, Followed by Consumer and Health Care

The Financial sector led all sectors in IPO issuance, accounting for 22% of proceeds raised this quarter. Among them were German property and public investment lender Deutsche Pfandbriefbank (PBB.GR; \$1.2 billion) and Dutch high-frequency electronic trading firm Flow Traders (FLOW.NA; \$575 million). The Consumer and Health Care sectors were the most active by deal flow, accounting for over 50% of all new listings this quarter. The ten largest IPOs of the 3Q15 included listings from six different countries and six different sectors.

Proceeds by Sector - (US\$ Billions)									
Sector	3Q 2014			2Q 2015			3Q 2015		
	#	\$	% of \$	#	\$	% of \$	#	\$	% of \$
Financial	14	\$13.2	22.5%	22	\$16.6	32.2%	6	\$3.0	22.1%
Consumer	15	\$5.5	9.4%	15	\$4.1	7.9%	9	\$2.6	19.4%
Health Care	8	\$5.4	9.2%	24	\$4.9	9.5%	14	\$2.1	15.5%
Technology	9	\$24.7	42.1%	11	\$3.6	6.9%	4	\$1.8	13.4%
Transportation	1	\$0.2	0.3%	8	\$2.9	5.7%	1	\$1.4	10.5%
Energy	7	\$2.5	4.3%	11	\$4.6	8.9%	3	\$1.2	8.6%
Materials	6	\$1.6	2.8%	7	\$1.7	3.2%	1	\$0.6	4.7%
Capital Goods	8	\$4.4	7.5%	11	\$5.2	10.1%	2	\$0.3	2.5%
Business Services	2	\$1.0	1.6%	6	\$2.8	5.4%	1	\$0.3	2.2%
Communications	1	\$0.1	0.2%	4	\$4.1	8.0%	1	\$0.2	1.1%
Utilities	0	\$0.0	0.0%	4	\$1.2	2.3%	0	\$0.0	0.0%

Source: IPO investment advisor Renaissance Capital. Includes IPOs with a deal size of at least \$100 million and excludes closed-end funds and SPACs.

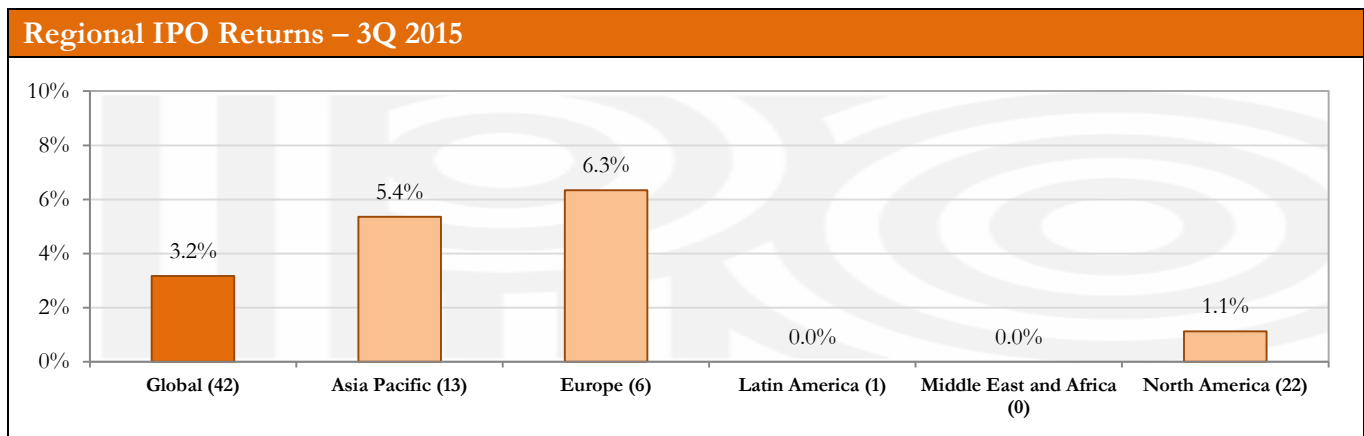
Largest Global IPOs						
Company	Ticker	Exchange	Offer Date	Deal Size (\$ mm)	Industry	Return from IPO†
CRSC	3969.HK	Hong Kong Exchange	31-Jul	\$1,422	Transportation	-1.0%
Deutsche Pfandbriefbank	PBB.GR	Frankfurt Exchange	15-Jul	\$1,193	Financial	-3.3%
Scout24	G24.GR	Frankfurt Exchange	30-Sep	\$1,130	Technology	0.0%
Blue Buffalo Pet Products	BUFF	Nasdaq	21-Jul	\$677	Consumer	-10.5%
TerraForm Global	GLBL	Nasdaq	31-Jul	\$675	Energy	-55.6%
Dexerials	4980.JP	Tokyo Stock Exchange	21-Jul	\$636	Materials	-3.6%
Flow Traders	FLOW.NA	Euronext/Amsterdam	9-Jul	\$575	Financial	9.0%
Guolian Securities	1456.HK	Hong Kong Exchange	3-Jul	\$457	Financial	-47.9%
Ado Properties	ADJ.GR	Frankfurt Exchange	22-Jul	\$451	Financial	8.1%
LIG Nex1	079550.KS	Korea Exchange	21-Sep	\$445	Technology	

Source: IPO investment advisor Renaissance Capital. Includes IPOs with a deal size of at least \$100 million and excludes closed-end funds and SPACs.

† Based on September 30, 2015 closing price.

IPOs Generate Subpar Returns

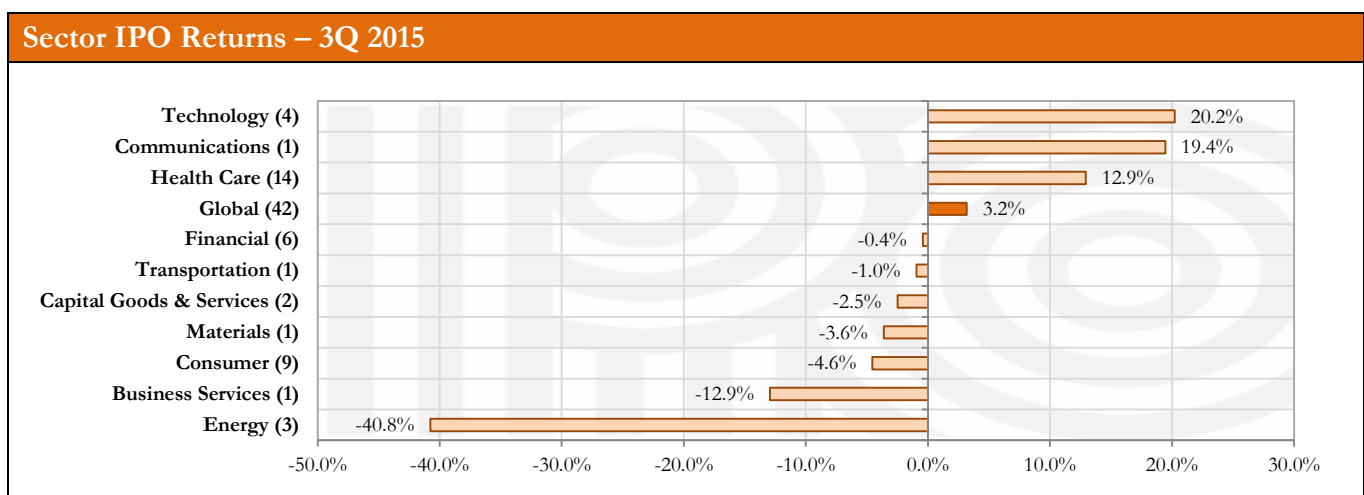
IPO returns were only modestly positive in the 3Q15, up 3.2% on average. Though scarce in number, European IPOs put up the best performance, averaging an 6.3% return from their IPO price. Performance in this region was led by UK-based online travel agent On The Beach (OTB.LN; +18.5%) and Flow Traders (FLOW.NA; +9.0%). Asia Pacific IPOs also performed above the overall average, helped by Korean marine biotechnology company Pharma Research Products (214450.KS; +49.3%) and Australian vitamin and sports nutrition company Vitaco Holdings (VIT.AU; +29.5%). North America lagged considerably with nearly flat performance, owing to very poor aftermarket trading.



Source: IPO investment advisor Renaissance Capital. Includes IPOs with a deal size of at least \$100 million and excludes closed-end funds and SPACs.
 † Based on September 30, 2015 closing price.

Technology Companies Thrive while Energy Companies Continue to Struggle

While producing only four IPOs, Technology was the best performing sector this quarter with a 20% average return. Strong performing Tech IPOs included cyber security company Rapid7 (RPD; +42.2%) and On the Beach (OTB.LN). After delivering a 78% average return in 2Q15, IPO returns in the Health Care sector averaged just 12.9% after being heavily impacted by the late-quarter sell-off. Continuing three consecutive quarters of declines, Energy was the worst performing sector as the two IPOs from this sector – solar companies TerraForm Global (GLBL; -55.6%) and SunRun (RUN; -25.9%) - averaged a -40.8% return.



Source: IPO investment advisor Renaissance Capital. Includes IPOs with a deal size of at least \$100 million and excludes closed-end funds and SPACs.
 † Based on September 30, 2015 closing price.

North American Biotech IPOs Demonstrate Volatile Performance

US-listed biotech IPOs took control of both the best and worst performing lists, as the sector experienced significant volatility in the third quarter. Strong performing biotech IPOs included sickle cell disease biotech company Global Blood Therapies (GBT; +110.8%) and oral immunotherapy biotech firm Aimmune Therapeutics (AIMT; +58.3%) while poor performing IPOs were headlined by Alzheimer's disease treatment developer VTV Therapeutics (VTVT; -56.5%) and cancer immunotherapies biotech NantKwest (NK; -54.2%).

Best Performing Global IPOs						
Company	Ticker	Exchange	Offer Date	Deal Size (\$ mm)	Industry	Return from IPO†
Global Blood Therapeutics	GBT	Nasdaq	11-Aug	\$120	Health Care	110.8%
Aimmune Therapeutics	AIMT	Nasdaq	5-Aug	\$160	Health Care	58.3%
Pharma Research Products	214450.KS	KOSDAQ	14-Jul	\$108	Health Care	49.3%
Rapid7	RPD	Nasdaq	16-Jul	\$103	Technology	42.2%
Penumbra	PEN	NYSE	17-Sep	\$120	Health Care	33.7%
Vitaco Holdings	VIT.AU	Australian Exchange	14-Sep	\$167	Health Care	29.5%
Pepper Group Australia	PEP.AU	Australian Exchange	29-Jul	\$106	Financial	27.7%
Chiasma	CHMA	Nasdaq	15-Jul	\$102	Health Care	24.3%
ProNAi Therapeutics	DNAI	Nasdaq	15-Jul	\$138	Health Care	20.7%
amaysim	AYS.AU	Australian Exchange	13-Jul	\$152	Communications	19.4%

Source: IPO investment advisor Renaissance Capital. Includes IPOs with a deal size of at least \$100 million and excludes closed-end funds and SPACs.

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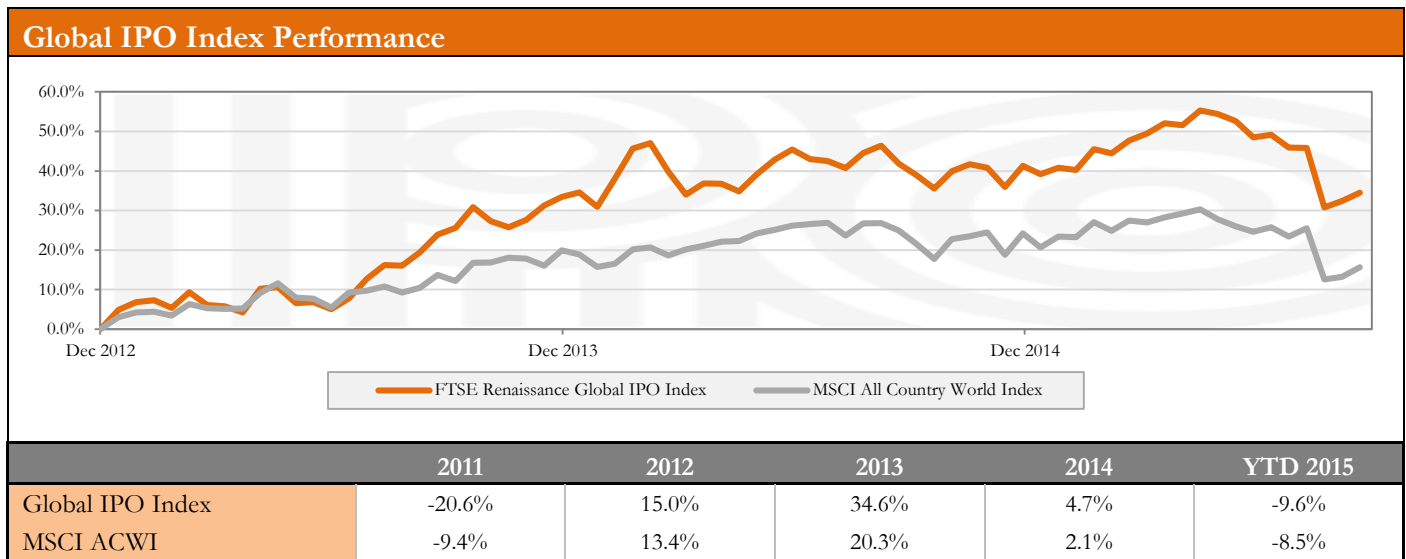
Worst Performing Global IPOs						
Company	Ticker	Exchange	Offer Date	Deal Size (\$ mm)	Industry	Return from IPO†
vTv Therapeutics	VTVT	Nasdaq	29-Jul	\$117	Health Care	-56.5%
TerraForm Global	GLBL	Nasdaq	31-Jul	\$675	Energy	-55.6%
NantKwest	NK	Nasdaq	27-Jul	\$207	Health Care	-54.2%
Guolian Securities	1456.HK	Hong Kong Exchange	3-Jul	\$457	Financial	-47.9%
Amplify Snack Brands	BETR	NYSE	4-Aug	\$270	Consumer	-40.5%
Natera	NTRA	Nasdaq	1-Jul	\$180	Health Care	-39.7%
Sunrun	RUN	Nasdaq	4-Aug	\$251	Energy	-25.9%
Innocean Worldwide	214320.KS	Korea Exchange	6-Jul	\$302	Bus. Services	-12.9%
Sleep Country Canada	ZZZ.CN	Toronto Stock Exchange	9-Jul	\$231	Consumer	-10.7%
Blue Buffalo Pet Products	BUFF	Nasdaq	21-Jul	\$677	Consumer	-10.5%

Source: IPO investment advisor Renaissance Capital. Includes IPOs with a deal size of at least \$100 million and excludes closed-end funds and SPACs.

† Based on September 30, 2015 closing price.

Global IPO Benchmark drops 15% in 3Q15

The Global IPO Index underperformed global equity benchmarks with a quarterly return of -14.9%, compared to the -9.9% return of the MSCI All Country World Index. The index was weighed down by companies in the Asia Pacific region, including Samsung's resort operations unit Samsung C&T Corp (028260.KS; -17.5%), Dalian Wanda real estate unit spin-off Dalian Wanda Commercial Properties (3699.HK; -28.8%), and China's largest nuclear-plant operator CGN Power (1816.HK; -20.4%)



Note: The FTSE Renaissance Global IPO Index Series represents a rolling two-year population of newly public companies included after the first day of trading and weighted by float adjusted market cap. Returns as of September 30, 2015.

The Global IPO Pipeline is at Record Levels

With several multi-billion-dollar offerings scheduled before the end of 2015, the global IPO pipeline currently contains 597 companies looking to raise \$392 billion, mostly from developed markets. Deal flow in the fourth quarter is expected to be driven by large LBOs expected in the US, private equity sponsored offerings in Europe, and large privatizations in Japan, Italy, and Canada. Some of the most notable companies currently seeking to go public are listed below. These eight IPOs could collectively raise \$30 billion in 4Q15 – nearly three times the issuance observed this quarter.

Notable Upcoming Global IPOs

Company	Business	Industry	Est. Deal Size (\$mm)
Japan Post*	Japan state-owned postal group.	Business Services	\$11,500
Poste Italiane	Italian postal services operator.	Business Services	\$4,400
Schaeffler	German industrial bearings maker.	Industrials	\$3,400
Worldpay	UK-based payment processing group.	Financials	\$3,300
First Data	World's largest merchant acquirer.	Financials	\$3,000
Albertsons Companies	Second-largest grocer in the US.	Consumer	\$1,800
Hydro One	Ontario's electricity transmission and distribution system.	Utilities	\$1,700
Ferrari	Italian luxury sports car manufacturer spun out of Fiat Chrysler.	Capital Goods	\$1,000

Source: IPO investment advisor Renaissance Capital. Includes IPOs with a deal size of at least \$100 million and excludes closed-end funds and SPACs.

*Includes holding company and two subsidiaries to be listed separately.